

B2Z05030
Attachment 4

NEMT Audited Financial Statement Guidelines and Procedures

Beginning with the CY 2004 audited financial statement, the following guidelines and procedures must be followed.

The audited financial statement must consist of an attestation to the completeness and accuracy of the information reported to the State of Missouri (State), in the quarterly financial data reports, for the specific time period reviewed. This audit shall focus on data for the most recent, complete calendar year (CY) and meet the following criteria:

- Medicaid data only by Missouri Non-Emergency Transportation region.
- Confirm by year, rate cohort, and category of service:
 - Claims incurred during the period
 - Revenue earned during the period
 - IBNR allocation in the incurred period
 - Administrative expenses in the incurred period
- No prior periods shall be reflected in this statement. Generally Accepted Accounting Principles must be applied.
- Paid claims based upon date of service within the CY being reviewed.

The following procedures shall be followed when auditing the financial statements:

- Items included in the report shall be tested to ensure they are categorically accurate according to service mode (i.e., Taxi, Bus, Wheelchair Van, etc. per descriptions included with Attachment 4).
- Claim files shall be tested and agreed to detailed records and to the report to ensure completeness, accuracy, cutoff, and existence of information.
- Determine that appropriate adjustments are made to the claims liability where there is a nonroutine delay in the notification of claims, a significant volume of unprocessed claims, or a change in the date of closing records.
- Amounts, where appropriate, shall be recalculated to assess the accuracy of amounts included in the schedule.
- Reporting of Revenue is accurate and properly classified by Region.
- Expense allocations, if any, used in preparing the report shall be verified for reasonableness and accuracy and disclosed in the footnotes. Amounts must be tested to appropriate supporting documentation with recalculations performed, where necessary. Methodologies for allocation must be verified with acceptable methodologies, if any, contained in the contract.

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